

HOUSE BILL 2300
By Ferguson

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 21, relative to privilege and excise taxes in economically distressed counties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2109(c)(2)(B), is amended by deleting the language "three thousand dollars (\$3,000)" and by substituting instead the language "four thousand five hundred dollars (\$4,500)".

SECTION 2. It is the intent of the general assembly that in special enhancement counties with high rates of poverty and unemployment and low per capita income single grants made pursuant to the Tennessee Industrial Infrastructure program shall not exceed one million dollars (\$1,000,000). These funds shall be used for industrial training and industrial infrastructure under the following provisions:

(1) A grant or loan will be made only where there is a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs.

(2) Eligible businesses shall be limited to:

(A) Manufacturing and other types of economic activities that export more than half of their products or services outside of Tennessee;

(B) Businesses where more than half of their products or services enters into the production of exported products;

(C) Uses which primarily result in import substitution on the replacement of imported products or services with those produced in Tennessee; and

(D) Other types of economic activity determined by the commissioner of economic and community development to have a beneficial impact on the economy of Tennessee.

(3) Grants or loans may be made to local governments, other political subdivisions of the state, or eligible businesses for industrial infrastructure (water service, wastewater service, rail service, etc.) and for industrial site preparation (grading, leveling, drainage improvements, etc.) where such expenditures are required to secure the location, expansion, or retention of an eligible business. The department may implement a pilot loan program for industrial building construction in certain economically depressed counties. In determining the form of the assistance the department shall consider whether the improvement will be of general community benefit (in which case the assistance shall be a grant) or benefit only a specific business (in which case the assistance shall be a loan).

(4) Grants may be made to eligible businesses for industrial training under the following conditions:

(A) To support the training of new employees for locating or expanding industries; or

(B) To support the retraining of existing employees where retraining is required by the installation of new machinery or production processes.

(5) In determining the level of grant assistance for infrastructure and site preparation consideration shall be given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates.

SECTION 3. This act shall take effect July 1, 2004, the public welfare requiring it.